

# APPENDIX E— COST AND BENEFIT INFORMATION REQUESTED FROM HARMONIZATION WORKING GROUPS

---

To expedite the cost/benefit analyses of Federal Aviation Administration (FAA) and Joint Aviation Authorities (JAA) proposed harmonization rules, the FAA asks that the responsible Aviation Rulemaking Advisory Committee (ARAC) working groups provide additional supporting documentation. This is done for harmonization working group technical reports. As described below, most of the harmonization rules can be analyzed in one of the following three cases.

**Case I: Harmonization rules where the Federal Aviation Regulations is amended to incorporate the “more stringent” corresponding Joint Aviation Requirements provisions.**

Every rule of this type should result in no cost or cost savings. Accordingly, extensive cost/benefit analysis is not necessary. Often a few sentences will suffice, but the explanation should respond to the following points:

- What is the current Federal Aviation Regulations standard?
- What is the current Joint Aviation Requirements standard?
- What is the proposed harmonization standard?
- Clearly state that cost will be reduced or maintained. In support of this statement, explain why the costs will be reduced or maintained. If, for instance, a manufacturer is currently satisfying two different certification requirements with separate testing, then a single certification requirement eliminates the tests required for the “less stringent” standard. To strengthen the explanation, supporting data or cost estimates should be included if available. This discussion can be short, but it must be clear, reasonable, and consistent with other statements made in the report.
- Briefly discuss the ARAC view on how the proposed harmonized standard would impact safety, compared to current industry practice. If ARAC believes the existing level of safety would be maintained, state that. If ARAC believes that the existing level of safety would be enhanced, describe why in a few short sentences. Include any readily available specific evidence, analyses, or estimates that support ARAC’s views.
- Close this discussion with a statement that ARAC recommends the FAA proceed with this rulemaking.

## Appendix E—Cost and Benefit Information

**Case II: Harmonization rules where the proposed new requirement incorporates parts of both the Federal Aviation Regulations/Joint Aviation Requirements or a standard somewhere in between the existing rules and would result in reduced or maintained costs.**

Because the proposed rule incorporates parts of the Federal Aviation Regulations and Joint Aviation Requirements, or new procedures/standards, the expected change in cost requires more detail than in Case I. The explanation should respond to the following points.

- What is the current Federal Aviation Regulations standard?
- What is the current Joint Aviation Requirements standard?
- What is the proposed harmonization standard?
- Although costs will be reduced or at least maintained for this case (if costs increase, then it is a Case 3 rule), a different look at cost is required than for Case 1 rules. For Case 2, the rule incorporates parts of both the Federal Aviation Regulations and Joint Aviation Requirements, or requires a new standard “somewhere in between” the two existing rules. A discussion is required giving the reasons why costs are maintained, even though a standard different from the existing Federal Aviation Regulations and Joint Aviation Requirements is being adopted. Simply stating that costs are reduced because only one standard needs to be met instead of two is not sufficient. A rationale must be presented as to why the new procedures/standards are less costly than adherence to one or both of the current standards. Examples of such rationale might be use of lower tolerance, less expensive materials, or less redundancy. The discussion can be short, but it needs to be clear, reasonable, and consistent with the other statements made in the report. To strengthen this explanation, supporting data of cost estimates on both current and new standards should be included if available.
- Briefly discuss the ARAC view on how the proposed harmonized standard would impact safety, compared to current industry practice. If ARAC believes the existing level of safety would be maintained, state that. If ARAC believes the existing level of safety would be enhanced, describe why in a few short sentences. Include any readily available specific evidence, analyses, or estimates that support ARAC’s views.
- Close this discussion with a statement that ARAC recommends the FAA proceed with this rulemaking.

## Appendix E—Cost and Benefit Information

**Case III: Harmonization rules where new regulatory requirements are being adopted that are different from either existing Federal Aviation Regulations or Joint Aviation Requirements standards and compliance costs have not been determined, but may be higher than current compliance costs.** The Office of Aviation Policy and Plans will quantify the cost and benefit analyses for these rules. ARAC is asked to provide the Office of Aviation Policy and Plans the information below to expedite the analysis.

- What is the current Federal Aviation Regulations standard?
- What is the current Joint Aviation Requirements standard?
- What is the proposed harmonization standard?
- The Office of Aviation Policy and Plans' estimate of costs will rely heavily on information provided by ARAC. Accordingly, ARAC is requested to include in the working group report any useful data or estimates of compliance costs (for instance, testing, flight hours, and equipment) that will assist in estimating overall costs. Providing full and accurate information will save later correspondence for both the working group and the Office of Aviation Policy and Plans.
- Briefly discuss the ARAC view on how the proposed harmonized standard would impact safety, compared to current industry practice. If ARAC believes the existing level of safety would be enhanced, describe the reasons why in a few short sentences. Include whatever specific evidence, analyses, or estimates that support ARAC's views.
- Close this discussion with a statement that ARAC recommends the FAA proceed with this rulemaking.